# BEFORE THE U. S. DEPARTMENT OF TRANSPORTATION WASHINGTON, D.C.

et OST-2007-27074

# SUPPLEMENT NO. ONE TO APPLICATION

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Dated: March 13, 2007

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# BEFORE THE U. S. DEPARTMENT OF TRANSPORTATION WASHINGTON, D.C.

Application of	)	
LYNX AVIATION, INC.	)	Docket OST-2007-27074
For a certificate of public convenience and Necessity under 49 U.S.C. 41102 to engage in interstate scheduled air transportation	) )	

# SUPPLEMENT NO. ONE TO APPLICATION

Lynx Aviation, Inc., ("Lynx") hereby files this Supplement No. One to the Application of Lynx Aviation, Inc., dated January 23, 2007, submitted to the Department of Transportation ("Department") for a certificate of public convenience and necessity to engage in interstate scheduled air transportation pursuant to Section 41102, Title 49, of the Code.

Since that filing, there is a need to publicly file certain exhibits contained in the January 23 application. On February 21, the Department held that Lynx Exhibits 7-A and 7-C would not be granted Confidential Treatment. Lynx does not challenge that decision and therefore, those Exhibits 7-A<sup>1</sup> and 7-C are attached hereto. The February 21 letter from the Department also noted that "with respect to Exhibit 7B, we recognize that the exhibit does contain some information for which we have typically granted confidential treatment, such as revenue and net income/loss projections. Therefore, we will grant confidential treatment to those portions of that exhibit." Consistent with the February 21 letter, Lynx also files a partially redacted version of Exhibit 7-B attached hereto.

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<sup>&</sup>lt;sup>1</sup> Exhibit 7-A has been slightly modified.

Lynx respectfully requests that this Application receive expedited consideration since this is a part of Frontier's plan for expansion and growth into smaller markets.

For the foregoing reasons, the Applicant respectfully requests that the Department find that Lynx is fit, willing and able to engage in scheduled interstate air transportation of persons, property and mail.

Respectfully submitted,

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March 13, 2007

# EXHIBIT 7A

Lynx Aviation, Inc.
January 2007 Balance Sheet
Projected December 2007 Balance Sheet
Projected December 2008 Balance Sheet

# Exhibit 7A – Lynx January 2007, Projected December 2007, and Projected December 2008 Balance Sheet

	January-07	December-07	December-08
Assets			
Cash	29,204,149	2,563,136	3,107,374
Security and other deposits			
Property and equipment		187,363,311	187,363,311
Accum depreciation - Property and equipment		(2,616,850)	(11,429,048)
Total Assets	29,204,149	187.309.597	179.041.637
Liabilities			
ATL		9,153,927	8,763,794
Short-term borrowings	40,000,000	40,000,000	40,000,000
Debt		151,306,243	146,322,312
Total liabilities	40,000,000	200,460,169	195,086,106
Equity	(10,795,851)	(13,150,572)	(16,044,469)
Total Liabilities and Equity	29.204.149	187.309.597	179.041.637

# Ехнівіт 7В

Lynx Aviation, Inc. 2008 Projected Income Statement for First Year of Normalized Operations

Exhibit 7B - Lynx 2008 Projected Income Statement for First Year of Normalized Operations

	January-08	February-08	March-08	April-08	May-08	June-08	July-08	August-08	September-08	October-08	November-08	December-08
OPERATING REVENUES:												
Passenger	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
CoBranded Credit Card Revenue												
Expired tickets 3.23%												
Administrative fees												
Sub-total passenger revenue												
Liquor												
Total Revenues												
OPERATING EXPENSES:												
Flight operations	\$ 585,003	003 \$ 554,320	5 584,945	\$ 544,365	\$ 548,618	\$ 743,614	\$ 616,960	\$ 616,940	\$ 563,298	\$ 575,655	\$ 561,469	\$ 599,740
Pilot salaries	263,500	(7	1 272,794	249,801	244,411	270,752	287,721	279,298	244,959	252,409	245,226	267,717
Hull & liability insurance	147,406	-	153,842		128,217	147,260	156,899	152,789	127,609	130,621	124,621	139,041
Fuel expense	2,384,314	314 2,230,050	2,383,378	2,183,213	2,144,575	2,300,446	2,377,155	2,377,155	2,075,313	2,144,490	2,075,313	2,275,558
Catering	75,683	383 72,233	3 83,452	70,256	62,831	876,77	87,042	82,100	64,412	65,805	608'09	70,241
Aircraft and traffic servicing	1,865,503	-	1,865,503	1,697,299	1,644,557	1,811,336	1,865,503	1,860,087	1,592,100	1,639,140	1,592,100	1,760,304
Maintenance	1,267,777	1,198,862	1,267,777	1,237,356	1,218,437	1,297,742	1,335,797	1,337,357	1,190,871	1,223,637	1,190,871	1,288,311
Promotion and sales	929,609		1,033,702	871,226	769,987	957,577	1,069,155	993,619	795,613	813,190	755,466	
Advertising	110,820	320 104,930	125,442	105,974	91,341	114,098	127,461	114,666	95,982	98,197	92,245	
General and administrative	171,696	396 165,623	171,696	168,527	171,441	173,417	176,613	176,613	168,412	171,441	163,501	169,289
Employee benefits	120,486	120,486	122,821	122,821	122,821	122,821	125,156	125,156	127,491	127,491	127.491	127,491
Profit Sharing (6% pre-tax income)	29,090	390 29,090	29,090	30,442	30,442	30,442	38,022	38,022	38,022	23,457	23,457	23,457
CPI 1%				117,054	112,743	126,220	130,620	128,576	111,249	114,266	110,162	121,144
Depreciation - aircraftspare parts, engine and apu; off	oti 734,350	350 734,350	734,350	734,350	734,350	734,350	734,350	734,350	734,350	734,350	734,350	734,350
Total Operating Expense	\$ 8,685,237	237 \$ 8,239,626	8,828,794	\$ 8,269,029	\$ 8,024,770	\$ 8,908,053	\$ 9,128,454	\$ 9,016,727	\$ 7,929,681	\$ 8,114,148	\$ 7,857,083	\$ 8,552,404
Operating (loss) income	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
NONOPERATING INCOME/(EXPENSE):												
Interest income	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Interest expense												
Other, net												
Total nanonarating income												

Total nonoperating income

Net (loss) income before taxes

income taxes

Net (loss) income\*\*

# Ехнівіт 7С

Lynx Aviation, Inc.
Cumulative Pre-Operations Costs

# EXHIBIT 7C Lynx July 2007 Cumulative Pre-Operations Costs

	200	September-06	October-06	November-06	December-06	James 67	Fahrustv.07	Marrh A7	Anst. A7	200	1	
OPERATING EXPENSES:								***************************************		2	The same	
Flight operations	ø	•	\$ 9,583	\$ 9,583	\$ 9,583	\$ 9,583	\$ 20,067	\$ 23,733	301.017 \$	301017 \$	330 812	
Pitot sateries									35,000	20 000	405 000	
Huff & Rebility insurance		,	•						200'00	ann'n i	000,000	
File extractes				•	•	•		•			1,833	
ימנו מצ'ועם ומפן			•		•	•	•	1	•	•		
Catering			•	,		•					•	
Aircraft and traffic servicing		,	447 3			. !	•	•	•	•	•	
		•	100	714'0	5,417	5,417	5,417	5,417	5,417	5.417	5.417	
Mamienance		12,292	12,292	12,292	16.250	16.250	CA2. AC	45.084	66 740	405.05	4 4 4 6 7	
Promotion and sales		.•	•					00.0	04/160	13,786	101,369	
Advertising				•	•	•		•	•			
				•	•		•	•	1		,	
General and administrative		315,852	317,415	317,415	317,415	317 415	334 451	324 454	224 AEC	727		
Emphyse hersefts		2 80.4	107.0				•	104,400	07.450	334,451	347,785	
		2,004	5,13/	5,137	5,137	5,137	7,939	12,609	21,015	28,487	44,365	
Profit Shanng (6% pre-tax moome)										40.408	27.04	
Depreciation - sircal										12,135	8c1,21	
Depreciation - spare engine & apu											67,500	
Depreciation - parts (includes GSE)								600	4			
Depreciation - other (Office Equip)				,				3,000	3,000	000'9	000'6	
informat expenses			•	•	,	•	•			•	•	
		•	-	,		-	•		,	•	96,263	
TOTAL PRE-OPERATING EXPENSES:	•	330,947	\$ 349,843	\$ 349,843	\$ 353,802	\$ 353,802	\$ 392,415	\$ 424,291 \$	765,647	837,317 \$		\$ 5,279,4

I hereby certify that I caused to be served the foregoing **SUPPLEMENT NO. TWO TO APPLICATION** to the following named persons on March 13, 2007 in one of the manners indicated below:

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